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UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF OKLAHOMA

IN RE: GENENTECH HERCEPTIN )  
(TRASTUZUMAB) MARKETING AND ) Case No. 16-MD-2700-TCK-TLW  
SALES PRACTICES LITIGATION. )

REDACTED TRANSCRIPT OF RECORDED PROCEEDINGS  
AUGUST 12, 2016  
BEFORE THE HONORABLE T. LANE WILSON, MAGISTRATE JUDGE PRESIDING  
**DISCOVERY CONFERENCE**

***Greg Bloxom, RMR, CRR***  
United States Court Reporter  
Northern District of Oklahoma

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A P P E A R A N C E S  
(TELEPHONIC)

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1 PROCEEDINGS:

2 -----

3 **THE DEPUTY COURT CLERK:** This is 16-MD-2700-TCK-TLW,  
4 In Re: Genentech Herceptin Marketing and Sales Practices  
5 Litigation.

6 Counsel, please enter your appearance for the record.

7 **MR. KEGLOVITS:** Dave Keglovits, Steve Adams, Amy  
8 Fogleman, Adam Doverspike, Wes Pebsworth, of Gable, Gotwals on  
9 behalf of plaintiffs.

10 **MR. SILL:** Matthew Sill and Katie Griffin on behalf of  
11 plaintiffs.

12 **MR. O'CONNOR:** Bill O'Connor, Alicia Donahue, and Gabe  
13 Egli on behalf of Genentech.

14 **THE COURT:** I've reviewed Mr. O'Connor's letter and  
15 then I've also reviewed the updated chart that Mr. Keglovits  
16 provided. It looks like we're making some progress.

17 Mr. O'Connor or Ms. Donahue, do you have any other comments  
18 or any updates that weren't contained in the letter?

19 **MS. DONAHUE:** Good morning, Your Honor. Alicia  
20 Donahue.

21 I think the letter pretty much speaks for itself. I do  
22 have, if we get there, some more information about what  
23 additional resources and requirements on proportionality issues  
24 will be necessary to go dig into that regulatory file that  
25 we've identified, and I think we have a proposal for the best

1 way to handle the additional productions that we intend to make  
2 based on what we've found so far in that file. So I'm happy to  
3 discuss that. But I'm not sure what the plaintiffs -- you  
4 know, I'm not sure what more other than what we've told them in  
5 our meet-and-confers we'll be producing, what more, if  
6 anything, they're going to be wanting to have. So...

7 **THE COURT:** All right. Mr. Keglovits?

8 **MR. KEGLOVITS:** Well, I agree, Your Honor, that  
9 Genentech has made some progress in understanding its databases  
10 now found and some of the people. I'm not going to go farther  
11 and say that we have made progress in discovery because we, of  
12 course, haven't gotten any of the documents that have been  
13 identified in the letter. And there are really, in our view,  
14 two substantial areas where we need to I think work on today.  
15 I'll be happy to outline those now or wait until the court  
16 asks.

17 **THE COURT:** Okay. Go ahead.

18 **MR. KEGLOVITS:** Well, and if the court read the  
19 letter, I'm sure that you saw the focus from Genentech's  
20 perspective continues to be on their communications with the  
21 FDA. We do not see nor have we heard in the two  
22 meet-and-confer calls any kind of data collection efforts with  
23 respect to internal documents that we'll be discussing, the  
24 issues of relevance. For example, the White e-mail that we  
25 attached to our complaint, what has been done to try to capture

1 that type of information, as well as what has been done to try  
2 to capture information that has gone external Genentech but  
3 does not involve the FDA. So, that's issue one from our  
4 perspective.

5 Issue two is: What can we do with this regulatory  
6 database? We got, I think, a general description of it in a  
7 call on Wednesday afternoon and we don't at this point have any  
8 idea how it will be made available to us, whether it will be  
9 searchable, those kinds of things.

10 **MS. DONAHUE:** Your Honor, let me just -- I think if we  
11 can kind of put things in perspective on what our understanding  
12 of what the plaintiffs are looking for from us. I think they  
13 fall really into three categories. It's what did Genentech  
14 tell the FDA regarding the mass, volume, or concentration of  
15 Herceptin in the vials; what did Genentech know but not  
16 disclose to the FDA about that, if anything; and what label  
17 submissions were made unilaterally by Genentech, which was the  
18 big focus of the hearing last week. So what we have done is  
19 scoped -- kind of sectioned things into those categories and  
20 figured out what we have or where we might have things related  
21 to those.

22 In regard to what Genentech told the FDA, we've produced to  
23 them the CMC section of the initial BLA, we've produced to them  
24 the prior approval supplements for Herceptin, we've produced to  
25 them documents assoc- -- or will be producing today to them

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1 documents associated with the removal of references to the 21  
2 milliliter yield, which was also a source of a lot of  
3 discussion at the hearing, and so that's -- they have that.

4 In regard to category number two, what did Genentech know  
5 but not disclose to the FDA about mass, volume, or  
6 concentration, that is contained, for the most part, from based  
7 on the search we've done to date in technical reports, that one  
8 of which is referenced in the e-mails that they keep referring  
9 to. We've told them that we've identified those reports, and  
10 this is referenced on page 7 of our letter. We've told them  
11 that we've identified those reports, that we're in the process  
12 of reviewing them, and that, you know, we will be producing  
13 those as they relate to Herceptin after review and redaction,  
14 if necessary.

15 And then onto the third point, what label submissions were  
16 made unilaterally by Genentech. We've identified 37 CBEs,  
17 which are changes-being-effected submissions, and we are in the  
18 process of reviewing those, as well. And so that's where we  
19 are, and we've told them that in the meet-and-confer and we've  
20 told them that in our letter.

21 In terms of correspondence, you know, internal  
22 correspondence between folks on these issues, anything relevant  
23 will be contained in that regulatory file. The regulatory  
24 file, as we reference in our letter, is, you know, over four  
25 million pages of documents. For us to go through the

1 regulatory file in order to, you know, know what every single  
2 thing that's in there and know what may or may not be  
3 responsive on Herceptin and on the issue the plaintiffs keeps  
4 focusing on, which is on this internal correspondence issue, is  
5 going to take us, you know, well over 2,000 hours at least, I  
6 mean, at the very least.

7 And so what we would propose at this point is that the  
8 plaintiffs take stock of what they've got and get our motion on  
9 file and look at the declarations that we've submitted that  
10 they now have from one company witness and one regulatory  
11 expert that is in support of our motion, and from there, if any  
12 more is needed to be produced, we continue to discuss it.

13 But at this point, given the investigation we've done, and  
14 we've spent, you know, over 100 hours of attorney time since  
15 the last hearing to get to the point we've gotten to now, I  
16 honestly -- I said it again, honestly -- but it's just I think  
17 we're at the point where the plaintiffs can have sufficient  
18 information to review and respond to our motion, and once  
19 they've got the motion, if they don't feel that they do, I  
20 think we need to have some focused, identified requests that  
21 are far more specific than every piece of correspondence or  
22 every piece of internal correspondence that might relate to  
23 Herceptin since 1997.

24 **THE COURT:** So, if there, for example, is an e-mail  
25 between two Genentech employees discussing the label or

1 discussing this drug, what you're telling me is that would be  
2 within this regulatory database?

3 **MS. DONAHUE:** It could be. I don't have -- it could  
4 be. I'm not certain that it is. We also obviously have a  
5 number of custodians and custodial files that, again, are  
6 thousands and thousands of pages. And, you know, in order to  
7 identify what in those files might be related to Herceptin,  
8 again, is thousands and thousands of hours.

9 And internal correspondence about -- I'm having trouble  
10 understanding how that is related to the issue at hand, which  
11 is preemption. They will, by virtue of what we're producing,  
12 they will know what we told the FDA. They already have that.  
13 They will know from the studies we're producing what we knew  
14 about Herceptin, and if they feel that those studies prove that  
15 we knew something, especially the one that's identified in the  
16 e-mail, then if they have those studies, they will then know,  
17 "Oh, you knew this and you didn't tell the FDA," because that's  
18 their allegation apparently. So they've got the studies.

19 What someone, you know, what someone said about the study  
20 at this point is -- may have said in an e-mail -- the value of  
21 that compared to what we would have to do to try to search and  
22 find and identify correspondence related specifically to  
23 Herceptin from custodians or in that file is at this point, I  
24 think, you know, unproportional to the issue in the motion.

25 **THE COURT:** I don't take -- and Mr. Keglovits, correct

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1 me if I'm wrong -- I don't take the plaintiffs' position to be  
2 they want anything that you were aware of and you didn't tell  
3 the FDA; in other words, that not telling the FDA is the  
4 trigger point for the discovery. My understanding -- and again  
5 maybe I've got this wrong -- my understanding is that they just  
6 want all correspondence, whether with the FDA or not, related  
7 to this drug and its labeling and its content, as well. And  
8 it's not -- I mean, there may be information in there that was  
9 or was not told the FDA, but I didn't understand,  
10 Mr. Keglovits, that that was the threshold question as to  
11 whether or not you wanted to see it. Am I wrong about that?

12 **MR. KEGLOVITS:** We do, Your Honor, believe that the  
13 Supreme Court has set a standard on this precise issue, that  
14 Genentech has to show that it was impossible, as they have  
15 framed this argument, to change the label, and to do that they  
16 have to show clear evidence that the FDA would not have  
17 approved a change if they had proposed it. And so where that  
18 takes us is: What did Genentech know? And obviously the  
19 communications their employees were having with each other  
20 about what it knows about, for instance, the concentration on  
21 the label, bears directly on it. And --

22 **MS. DONAHUE:** Your Honor, the only --

23 **MR. KEGLOVITS:** -- let's not forget that this is a  
24 national class action that has hundreds of millions of dollars  
25 at stake. And so when we're talking about proportionality,

1 it's, to me, very difficult to understand how looking for those  
2 e-mails is not proportional, because any one of them will  
3 completely undercut this defense that they have asked the court  
4 to consider early.

5 **MS. DONAHUE:** Your Honor, --

6 **THE COURT:** Go ahead, Ms. Donahue.

7 **MS. DONAHUE:** -- the technical studies that are  
8 referenced on page 7 of our letter, the ING reports and studies  
9 that were submitted that are internal, beyond correspondence,  
10 those studies -- that's the basis and repository of any  
11 knowledge that Genentech had about the product, about  
12 Herceptin, about what may or may not, according to the  
13 plaintiffs, should have been on the label regarding  
14 concentration, mass, or volume. It's in the studies. They're  
15 going to get the studies. Correspondence back and forth about  
16 those studies is secondary.

17 So, at the very least at this point in time, I would  
18 suggest that we produce the studies, which we're planning on  
19 doing, they take a look at them, and they identify, you know,  
20 what past those they want or need over and above the fact that  
21 the studies speak for themselves. I mean, if Genentech did a  
22 study and a study shows blank, Genentech knew blank. What  
23 someone said about it in an e-mail is secondary. And to go  
24 through a mass search to find that kind of information in  
25 internal correspondence at this point, when they haven't even

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1 looked at the studies we're going to provide them yet, is  
2 premature. And, you know, we're talking about 20 years of  
3 correspondence.

4 **THE COURT:** All right. I want to get back and make  
5 sure I understand, though, Mr. Keglovits's approach on this.

6 I mean, you're not alleging or arguing that you're trying  
7 to show that Genentech, I mean, as Ms. Donahue was referring  
8 to, committed a fraud on the FDA. You're saying that if there  
9 was information that could have been provided the FDA and  
10 wasn't, whether or not that was intentional or unintentional or  
11 there was any ill intent behind it or whether the intent was  
12 entirely pure, that you believe that if you can show that had  
13 the FDA obtained that information, then the labeling would have  
14 been different, then you can prevail on Genentech's preemption  
15 defense.

16 **MR. KEGLOVITS:** I think very close to that, although I  
17 would say the standard is kind of a negative of what you just  
18 said. Genentech has to show that if the FDA had the  
19 information that Genentech has, the FDA would have refused to  
20 approve a label change.

21 **THE COURT:** Yeah. Right. Okay. I think I follow  
22 your position there, and I suspect Ms. Donahue may disagree  
23 with it. But the point is you just want to know -- I mean,  
24 what you're driving at is you want all information available  
25 with respect to the labeling of this drug?

1           **MR. KEGLOVITS:** Yes, and that includes, for example,  
2 in one of the interrogatory responses we just got, it said the  
3 FDA initiated a change with respect to concentration because,  
4 according to Genentech, the FDA had received complaints from  
5 users about the concentration. Well, one would imagine that  
6 those complaints might have made their way to Genentech before  
7 they made their way to the FDA. Of course, we haven't seen any  
8 of those, we don't know whether that's in the regulatory  
9 database, and we don't even know if those would have been  
10 included in the technical reports, which we also haven't seen.

11           **MS. DONAHUE:** Your Honor, a couple of points on the  
12 labeling change issue.

13           First of all, you know, I have to state for the record that  
14 we disagree obviously with plaintiffs' interpretation of our  
15 impossibility, you know, preemption defense and what our motion  
16 will be based on. Our impossibility preemption defense is  
17 based on the fact that in order to -- in order to do what  
18 plaintiffs apparently think we ought to do, which is have 440  
19 mgs in each vial of Herceptin, we would have to make  
20 manufacturing process changes, and that's the basis of the  
21 impossibility preemption, and they know that now because they  
22 have the declaration from our company witness that's the basis  
23 of that position.

24           So, this concept that we need to show and we plan to and  
25 we're going to argue that it would have been impossible for us

1 to change our label is not the basis of our motion. That's  
2 something we need to make clear from the get-go.

3 In regard to our submissions on labeling changes, if you  
4 look at page 5 of our letter, the first full paragraph, I think  
5 we lay out there what the label change submission issue is and  
6 what we're going to produce in terms of that. This reference  
7 to the discovery responses we just served today, yes, that was  
8 the 21 mL change that was made at the request of the FDA is  
9 we've amended our interrogatory response and we're producing  
10 the documents related to that change today.

11 Over and above that, we've identified I think 36 or 35  
12 additional labeling changes. I don't think very many, if any,  
13 relate to the issues in this case, but we are willing to  
14 produce them to the plaintiffs and then they will know and have  
15 everything that we -- all the labeling changes that we made to  
16 Herceptin, whether they were at the request of the FDA or not.  
17 So, they will -- and that's what they told you they needed at  
18 the hearing, because their position is they need to be able --  
19 they want to be able to show, "Oh, Genentech knew they could  
20 make this kind of a change," which, by the way, is dictated by  
21 law; what we can and can't change unilaterally is dictated by  
22 law, not by Genentech.

23 So, what I would propose one more time is that they look at  
24 what we're going to produce to them before we are forced to go  
25 digging into custodial files and, you know, wherever else we

1 would be finding over 20 years of correspondence on the issue  
2 of labeling changes to Herceptin. I just -- it's --

3 **THE COURT:** So, Ms. Donahue, what if there is -- I  
4 mean, let's talk about this issue of changing the manufacturing  
5 process. I mean, if that issue -- and I don't think it's  
6 unreasonable to believe it came up at some point within  
7 Genentech -- I mean, if that issue is the subject of four or  
8 five days or a couple of weeks of e-mails between Genentech  
9 engineers or scientists talking about whether or not a label  
10 change would require or a change in the manufacturing process  
11 or whether or not providing vials with whatever it was, the 21  
12 milliliters of this active ingredient, would require a  
13 manufacturing change, I mean, those e-mails between Genentech's  
14 employees which may say, "Hey, we would have to change the  
15 manufacturing process," or might say, "We wouldn't have to or  
16 it wouldn't be that difficult to do it without changing the  
17 manufacturing process," I guess I haven't --

18 **MS. DONAHUE:** Let me --

19 **THE COURT:** -- heard from you that the discovery  
20 you're wanting to provide would capture those e-mails.

21 **MS. DONAHUE:** Your Honor, the change in the  
22 manufacturing process is not something that Genentech has ever  
23 considered doing. This drug is approved at a spec of a range  
24 that we have told the plaintiffs and Genentech manufactures  
25 within that specification.

1       The impossibility preemption defense is a matter of law and  
2 a legal argument. But Genentech internally has not sat around  
3 and discussed, "Oh, let's change our manufacturing  
4 process." They manufacture a lifesaving drug at a broad spec,  
5 and what the plaintiffs are pretty much seeking through this  
6 lawsuit is to force Genentech to change the way it makes the  
7 drug that saves -- that has been saving lives for 20 years, as  
8 approved by the FDA.

9       So, please do not -- I hope I didn't confuse you by  
10 saying -- by pointing out our impossibility preemption defense.  
11 It's not something that Genentech has considered doing or plans  
12 to do; it's simply a legal defense. I mean, the correspondence  
13 there, I can pretty much say for certain there is no  
14 correspondence on that because it's not --

15               **THE COURT:** But what you're saying is, as part of your  
16 defense, is that you would have to change the manufacturing  
17 process; right?

18               **MS. DONAHUE:** That's the basis of the impossibility  
19 preemption defense that plaintiffs keep changing into. It  
20 would be impossible for us to change our label.

21               **THE COURT:** And you're saying that whether or not you  
22 would have to change your manufacturing process is an issue of  
23 law?

24               **MS. DONAHUE:** I'm saying the impossibility preemption  
25 is an issue of law.

1           **THE COURT:** Right. But my question is whether or not  
2 you would have to change your manufacturing process. You're  
3 saying that's an issue of law?

4           **MS. DONAHUE:** No; that's as set forth in the  
5 declaration of our company witness that they've received.  
6 That's an issue of fact.

7           **THE COURT:** Right, and so what it seems to me you're  
8 saying is, "Trust our company rep; it's going to be too  
9 difficult or too time consuming for us to give you any factual  
10 materials we might have on what our company rep is saying and  
11 so you've just going to have to trust us."

12           **MR. O'CONNOR:** Your Honor, Bill O'Connor.

13           A couple of points here, because I think we're now into,  
14 one, plaintiffs misconstruing the impossibility defense, and  
15 then about seven layers of assumption since then.

16           Our first preemption defense is that the federal  
17 regulations allow for variation in the actual weight of the  
18 drug. And so the heart of their claim, this warranty claim, is  
19 that somehow we're supposed to hit 440 on the head, and what  
20 the regulations provide is that 440 means what its  
21 specification provides, which is 440 XXXXXXXXXXXXXXXX. So,  
22 that's what we manufacture within. We've produced every lot --  
23 every paper describing every lot of production that establishes  
24 the weight is within that range.

25           So, they love to talk about an improper construction of the

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1 second prong of our preemption defense, and I understand they  
2 don't want to talk about number one because they can't overcome  
3 it, and it's a stand-alone preemption that ends these claims.  
4 So, we're only into impossibility because it's an alternative  
5 second stand-alone way for the court to dispose of these claims  
6 and it would never have been considered because we comply with  
7 the regulations that we've worked on, that the company invested  
8 so much in, before its approval in '97 and since.

9 So, it's really -- I mean, to suggest that there's -- I  
10 mean, now to hear speculation from the plaintiffs that there's  
11 somehow internal correspondence or memoranda about should we  
12 change our manufacturing, no, there would be absolutely none  
13 because what we do complies with the specification.

14 So, we're really -- you know, we're sitting here after --  
15 and again, I don't want to harp on what's been done because I  
16 think you're well aware of it, I think you're well aware, too,  
17 of the task that we had to go find I guess an e-mail over the  
18 course of 20 years, anything that relates to it. But again,  
19 that task is certainly not proportional to where we are in this  
20 case, which is focusing on the fact that the federal regulation  
21 provides a specification that we comply with it, and they're  
22 trying to use state law claims to somehow change that  
23 regulatory scheme and the framework that is in existence, which  
24 is improper.

25 **MR. KEGLOVITS:** Your Honor, this is Dave Keglovits.

1       The answer to your question is yes, they are saying, "Trust  
2 us." Back on June 24th when we had this hearing they told  
3 Judge Kern what the plaintiffs should do is take stock of what  
4 we're going to give them, the CMC, review the motion and review  
5 the declarations and then decide what kind of discovery, and  
6 Ms. Donahue just repeated that for you, we're now two months  
7 down the road from there.

8       And, you know, ask yourself: Would you have known about  
9 this Mr. White e-mail if we didn't get it through an outside  
10 source? Would you have known about the complaints that the FDA  
11 received if we hadn't had the hearing last week? This stuff is  
12 coming out in dribs and drabs. And I know Bill and Alicia are  
13 trying as hard as they can to find this information, but I  
14 don't have a lot of confidence that their client is really  
15 motivated to do what it's supposed to do.

16       **THE COURT:** All right. Well, here's what we're going  
17 to do. It sounds like some progress has been made in the  
18 production of at least documents related to the labeling change  
19 and correspondence with the FDA. That should continue to move  
20 forward. Genentech should continue to determine where these  
21 other documents would be, and not to go sear- -- should not be  
22 searching them yet. I'm not directing Genentech to and I don't  
23 think anybody wants to, and frankly I think it would be a waste  
24 of a lot of time and energy to start reading through these  
25 e-mails one at a time. That should not happen and Genentech

1 should not be doing that.

2 But in terms of requests that the defendants have made, I  
3 think I was clear last time, and I'll say it again this time,  
4 what I want Genentech to do is find out what is out there and  
5 what would be involved in gathering it together. I don't want  
6 to know what would be involved in searching it one at a time.  
7 I want to know what would be involved in gathering it together  
8 and putting it into some sort of repository that would be  
9 searchable, and then I'll make a decision as to whether or not  
10 that search ought to take place. But if the search does take  
11 place, it will not be a document-by-document search. I think  
12 we're about 10 years past doing searches in that manner with  
13 ESI. So, I want Genentech to continue that process. It sounds  
14 like, Ms. Donahue, you've made quite a bit of progress in that  
15 regard and hopefully the rest of this won't take any longer  
16 than the time you've spent so far.

17 What I want to know, and what I think the defendant is  
18 entitled to know is: What is out there that is potentially  
19 responsive to their discovery requests, where is it, how much  
20 data is it, and in what sort of format is it in. And,  
21 Ms. Donahue and Mr. O'Connor, you can certainly tell me and  
22 tell the plaintiffs how much time it would take to put it into  
23 a repository that's searchable. But that's what I want  
24 Genentech to continue and work on. In terms of these other  
25 documents it is going to produce, Genentech should go ahead and

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1 do that.

2 Your dispositive motion is due, what, on the 23rd?

3 **MS. DONAHUE:** Yes.

4 **THE COURT:** All right. Then we'll set another status  
5 conference in this case that week of the -- let's see, the  
6 23rd -- I think I'm going to be in that week -- at some point  
7 the week of the 23rd. Is that a Monday, the 23rd?

8 **MR. O'CONNOR:** It's a Tuesday.

9 **THE COURT:** It's a Tuesday? Okay. So probably that  
10 Thursday or Friday.

11 Am I in town, Camie?

12 **THE DEPUTY COURT CLERK:** Uh-huh.

13 **THE COURT:** Okay. So I'll probably set another  
14 telephone conference that Thursday or Friday, and at that point  
15 I should be able to know or Mr. O'Connor or Ms. Donahue should  
16 be able to tell me, you know, where all this information would  
17 be located and how it would be gathered and placed into some  
18 sort of a searchable repository. I don't need to know how long  
19 it would take you to search it because I'm not going to order  
20 anybody to do it. And I will at that point have taken a look  
21 at the dispositive motion and we'll certainly have a better  
22 feel for what information, additional information, might be  
23 relevant and how we might go about conducting the necessary  
24 searches to satisfy the plaintiffs' discovery requests on a  
25 proportional basis.

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1 In terms of the attorneys'-eyes-only issue, Mr. Keglovits,  
2 have you had a chance to talk to Mr. O'Connor and Ms. Donahue  
3 about their proposal in their letter?

4 **MR. KEGLOVITS:** Well, on Wednesday we had a meet-and-  
5 confer. We, the plaintiffs, proposed that, number one, we did  
6 not want any attorneys'-eyes-only designation in this case;  
7 but, number two, we would agree to limit particular  
8 distribution of particular portions of the CMC to eight people  
9 initially for purposes of this motion with the caveat that we  
10 could come back to you and ask if we wanted to go beyond eight.  
11 So that's what we proposed. We heard back from Genentech  
12 yesterday that the company was unwilling to do that, and the  
13 company again is remaking the argument it's made previously  
14 about the need for attorneys' eyes only. As I said, we are  
15 unwilling, until we're ordered to, to be burdened by an  
16 attorneys'-eyes-only restriction.

17 **THE COURT:** So, Mr. Keglovits, you proposed eight --  
18 to have with certain aspects of the discovery that's been  
19 produced by Genentech to limit the number of people who could  
20 see it to eight?

21 **MR. KEGLOVITS:** Yes; what we said is, "If you identify  
22 for us what portion of the CMC you want subject to this  
23 restriction, we will not go beyond eight employees of our  
24 clients, whether they're pharmacists, oncologists, nurses,  
25 those kinds of people who could provide us some technical help,

1 we'll limit it to those eight initially." And obviously, as I  
2 said, if we need to go more, we'll come back to you and ask for  
3 more, and I think Mr. Sill agreed with that.

4 **THE COURT:** And, Mr. Keglovits, on those aspects of  
5 it, do you have any problem having those discussions always be  
6 with attorneys and not actually providing these eight people  
7 with copies of this information?

8 **MR. KEGLOVITS:** Yes. Frankly, I am very reluctant to  
9 have to handle a large document like this by pulling pages out,  
10 especially when the people I'm dealing with know much more  
11 about this information than I do. And again, these are not  
12 competitors, we're not trying to make Herceptin. We just want  
13 to be able to sit down with our own clients and show them  
14 what's been produced in the case.

15 **THE COURT:** All right. So, Ms. Donahue, I think I've  
16 already ruled on this twice. What's the -- why are you making  
17 another run at it?

18 **MR. O'CONNOR:** Your Honor, Bill O'Connor.

19 What we have done, and I believe we had told you that we  
20 had committed to do, in addition to the discussions on the  
21 number of people, we went through the entire production and we  
22 basically asked them to agree that there's 500 pages of the  
23 production that goes -- that's labeled in the BLA, the CMC  
24 section of it, as the drug substance portion. There couldn't  
25 be anything that's more trade secret than the formula for

1 Herceptin. This is the chemistry and the biology. This is not  
2 the drug product, which is the issue in this case. They have  
3 made allegations about final dosage and we have agreed to  
4 remove that or to stop the effort to limit those sections to  
5 attorneys' eyes only.

6 But with respect to the drug substance, which is the active  
7 ingredient, which is the fundamental most sensitive information  
8 possible, this information is not even disclosed within the  
9 company; it's incredibly limited to who has access to that  
10 information. It's not supplied to other countries that don't  
11 have IP protection. It is -- It could not be treated in a  
12 more confidential way.

13 So, to sit here and listen to the suggestion that the drug  
14 substance provisions, that the formulas for the drug is such a  
15 burden to them, is a bit frustrating, to say the least,  
16 especially -- and again, I know you've heard this, and I know  
17 it's been heard several times, and since then there's been a  
18 significant effort to identify a discreet number of pages that  
19 we are asking for this kind of treatment. It would be wholly  
20 inconsistent. And again, I'm not challenging whether  
21 Mr. Keglovits or his clients will misuse or do something with  
22 it. It's about the protection so that the potential isn't out  
23 there. These people change jobs all the time. This industry,  
24 the people are moving, they're mobile, and so why would we  
25 ever -- why would they ever need the formula for Herceptin? It

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1 has absolutely no relationship to their claims. It has  
2 absolutely no relationship to certainly the preemption but  
3 ultimately even the merits of the case. If we ever got there,  
4 this would still not be at issue. So, I just don't -- Any  
5 minor burden on them is far outweighed by the protections that  
6 Genentech I think is entitled to on its trade secret formulas.

7 **THE COURT:** All right. Mr. Keglovits, anything else  
8 on that topic?

9 **MR. KEGLOVITS:** No, Your Honor. I think we've heard  
10 this several times.

11 **THE COURT:** All right. Mr. Keglovits, why don't you  
12 pick two of your client representatives, they can view the full  
13 scope of the discovery that has either been produced or is  
14 going to be produced, including those provisions identified as  
15 attorneys' eyes only. If you're able to come back to me and  
16 give me a reasonable explanation, of course after having heard  
17 response from Genentech as well, as to why the portions that  
18 Mr. O'Connor and Ms. Donahue are talking about as to the  
19 formula need to be disclosed on a broader basis, in other  
20 words, if your client looks at them and says, "Yeah, this would  
21 be beneficial to our case to have more people view this," and  
22 you can make that argument to me, and Mr. O'Connor and  
23 Ms. Donahue don't convince me otherwise, then I might be  
24 willing to broaden it. But at this point I'm going to keep it  
25 at two. The names of those two people need to be disclosed to



1 Genentech, and obviously they need to sign the affidavit at the  
2 back of the protective order and then we'll go from there.

3 As to this other information, again, Ms. Donahue,  
4 Mr. O'Connor, what I'll expect when we get to this next hearing  
5 is for you all to be able to articulate, with respect to the  
6 information that the plaintiffs have sought, how you would  
7 gather it in a manner that would be searchable, what that would  
8 take. And I'm not asking again how long it would take to  
9 review this. I'm not asking, you know, arguments about, you  
10 know, we might spend a thousand hours looking for one or two  
11 e-mails. I'm not concerned with that in the least at this  
12 point. What I'm concerned with is: What would it take to  
13 gather this information and put it in a repository that  
14 actually was searchable. And then by that point I will have  
15 had a chance to look at your summary judgment motion and I  
16 think make a more informed decision as to how we should proceed  
17 with this other discovery. And in the interim, you all should  
18 continue to work on the production that has been laid out thus  
19 far in your letter.

20 So, Ms. Donahue, Mr. O'Connor, any questions?

21 **MS. DONAHUE:** No, Your Honor. I think we understand.  
22 Thank you.

23 I just want to correct the record on one thing, because I  
24 can envision this iss- -- my statement about the issue of fact  
25 on the manufacturing changes coming back to haunt me some day,

1 and especially if you're looking at our motion.

2 I want to clarify what our impossibility preemption defense  
3 is on manufacturing, and it is a legal issue, not a factual  
4 issue, and it's that what plaintiffs demand would require  
5 manufacturing changes that would require FDA approval. So,  
6 just for the record to be clear, I don't want there to be any,  
7 you know, misunderstanding that the manufacturing issue is an  
8 issue of fact.

9 Other than that -- and I also want to just respond that  
10 Genentech is motivated and is doing everything that the court  
11 has requested it to do and ordered it to do and, you know, I  
12 don't appreciate Mr. Keglovits saying differently. But that's  
13 it. Thank you.

14 **THE COURT:** All right. Mr. Keglovits, anything else?  
15 Also, obviously if at the next hearing I look at the summary  
16 judgment motion and am convinced that we're going to need more  
17 discovery, then, Mr. Keglovits, you'll obviously be provided  
18 with additional time to respond to that motion for summary  
19 judgment.

20 **MR. KEGLOVITS:** Thank you, Your Honor.

21 Can I ask for a little bit of clarification on the order  
22 the court just made about the dissemination of this information  
23 to two representatives --

24 **THE COURT:** Yes.

25 **MR. KEGLOVITS:** -- just to make sure I don't do

1 something I'm not supposed to do?

2 **THE COURT:** Sure.

3 **MR. KEGLOVITS:** Genentech yesterday pointed us to the  
4 table of contents, pages 8, 9, 10 and 11 of the table of  
5 contents, and asked that those -- the subject contained within  
6 those pages be afforded attorneys'-eyes-only protection. We've  
7 gone, and I think it's at least two volumes, I'm not sure how  
8 many pages, but could we have them give us the Bates numbers of  
9 the pages that would be subject to this two-representative  
10 restriction so we can mark it internally to make sure we're not  
11 doing what we're not supposed to do?

12 **THE COURT:** Mr. O'Connor, any objection to that?

13 **MR. O'CONNOR:** I can tell you right now, and we can  
14 confirm, but it's BL-8 to BL-509.

15 **MS. DONAHUE:** And we'll go back, and if there's  
16 additional pages, we'll let you know, but at this point that's  
17 what we've identified as that portion. We'll confirm that  
18 again.

19 **THE COURT:** Okay. All right.

20 **MR. KEGLOVITS:** And, Your Honor -- sorry.

21 **THE COURT:** No. Go ahead.

22 **MR. KEGLOVITS:** To make sure I'm tracking the way the  
23 court is thinking, we do now have two declarations, one from a  
24 fact witness, one from an expert. Is Your Honor expecting we  
25 will not be deposing those people before we come back to the

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1 status conference?

2 **THE COURT:** That's right. That's right. I mean, I'll  
3 certainly listen to an argument from you that would indicate  
4 you want to depose those prior to then, but it seems to me that  
5 this will be more efficient if we wait until the next status  
6 conference and then we all have a better feel for how much and  
7 what the scope of discovery will be and then you can take those  
8 depositions at that time if they're still -- if they're  
9 warranted.

10 **MR. KEGLOVITS:** Thank you, Your Honor. Nothing  
11 further from us.

12 **THE COURT:** Okay. All right. I appreciate  
13 everybody's time. We'll get that hearing set. If you all have  
14 any -- just like this last time, if you have any concerns with  
15 the setting, then you can talk to Camie and we'll do what we  
16 can to accommodate those. Hope everybody has a nice weekend.  
17 Thank you.

18 **MS. DONAHUE:** Thank you.

19 **MR. O'CONNOR:** Thank you.

20 **MR. KEGLOVITS:** Thank you, Your Honor. Have a nice  
21 weekend.

22 (PROCEEDINGS CLOSED)  
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